

## SOVIET CUTS OFF AID TO YUGOSLAVS

Khrushchev Tells the World  
Belgrade Can Expect No  
More Economic Favors

By ELIE ABEL

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BELGRADE, Yugoslavia, Feb. 22—Nikita S. Khrushchev in effect has told the world that Yugoslavia can expect no more economic favors from the Soviet Union.

At a reception in Moscow Tuesday honoring a Bulgarian Government delegation, the First Secretary of the Soviet Communist party delivered a short sermon on economic relations among "Socialist countries" that could have been directed only against President Tito, odd man out of international communism.

Some countries want the advantage of every transaction and are quick to scream "blockade" when it is denied to them, Mr. Khrushchev said.

This passage received no spe-

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cial attention at the time. But to those with intimate knowledge of the current Yugoslav-Soviet economic negotiations in Moscow its meaning was inescapable.

Mr. Khrushchev seemed to be preparing a position for retreat from certain economic commitments the Soviet Union made to Marshal Tito in the last eighteen months.

Moscow is understood to have already reneged on a \$175,000,000 credit promised to Yugoslavia last August for construction of a hydroelectric and aluminum project at Niksic, Montenegro.

The Soviet Union informed the Tito Government that the start of this project, originally scheduled for this year, would have to be postponed until the end of

the present five-year plan in 1960. The reason given by the Russians was the pressure of other economic commitments.

Belgrade also was given to understand that plans agreed upon a year ago for a Soviet-financed fertilizer plant and electric power station of 100,000 kilowatts must be set aside for several years.

The total value of the credits withheld is estimated at \$250,000,000 (1,000,000,000 rubles at the official rate of exchange).

Another instance of Soviet retrenchment at Yugoslav expense is less clear-cut but still important. It involves the disappointing progress of negotiations on a trade agreement for this year.

A year ago, when the Russians were still trying to win Marshal Tito back into their camp, they could scarcely have been more accommodating. They were ready to accept all sorts of nonessential goods—prunes, woolen products and leather—in exchange for cooking coal, crude oil, manganese ore and steel.